

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

July 13, 2005

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 13, 2005 beginning at 9:25 a.m., in the Mountain House at the base of the Keystone Ski Resort, Keystone, Colorado. Members of the Board present during the Regular Meeting were:

William R. Roberts, President
George B. Beardsley, First Vice President
Thomas A. Gougeon, Vice President
Denise S. Maes, Vice President

Board employees and others present during portions of the Meeting were:

H. J. Barry, Manager
P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance
E. E. Pokorney, Director of Planning
M. L. Bassett, Director of Public Affairs
B. D. Good, Director of Operations & Maintenance
J. L. Diebel, Director of Engineering
C. R. Dermody, Manager of Information Technology
M. L. Walker, Attorney
J. H. Bambei, Jr., Chief of Engineering
D. L. Little, Manager of Water Resource Planning
Sally LaPointe, Eagle River Water & Sanitation District
Rick Sackbauer, Eagle River Water & Sanitation District
Citizens' Advisory Committee
Wayne Vanderschuere, Resource Supply Manager,
Colorado Springs Utilities

Media

Kim McGuire, Denver Post
Jerd Smith, Rocky Mountain News

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Commissioner Roberts called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioner Kirk was found to be absent for substantial cause and was excused.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of June 8 and June 22, 2005 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of June 8 and June 22, 2005 were approved.

Commissioner Roberts invited members of the public to comment to the Board regarding matters not included in the Board's Agenda for the meeting. There was no response.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. **ITEM V-B-1: TERMINATION OF THE CHARLOU PARK WATER DISTRICT TOTAL SERVICE CONTRACT**

Terminated Total Service Contract No. 41, dated August 25, 1987, with Charlou Park Water District, and authorized service to be provided to the District's service area under the terms of the Agreement with the City of Cherry Hills Village, Total Service Contract No. 45, effective the date of the dissolution of the Charlou Park Water District by the Arapahoe County District Court.

2. **ITEM V-D-1: CONTRACT FOR CONSULTING SERVICES WITH SUKLE ADVERTISING**

Authorized entering into a Consulting Services Agreement with Sukle Advertising & Design to create advertising campaign concepts, develop a targeted media plan, and execute an advertising campaign, such services to be completed no later than January 31, 2006, at a cost to the Board not to exceed \$150,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

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Ms. Bassett explained the process involved in the selection of Suple as the proposed advertising agency. The contract is for a one-year period, and may, at the Board's discretion, be extended for two additional one-year periods. Ms. Bassett explained the agency will analyze the recent survey findings and coordinate the campaign with GBSM and the Board. Commissioner Beardsley opined that additional time would be required to coordinate the campaign strategy with the Commissioners than was included in the contract. The Commissioners concurred with the remarks of Commissioner Beardsley and emphasized the importance of the campaign to the Board's conservation program, especially following the experiences of the recent drought.

3. **ITEM V-D-2: PURCHASE AND SALE AGREEMENTS WITH SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT FOR PROPERTY OWNED BY THE ESTHER R. MILLER TRUST AND SIDNEY AND CARRIE KING**

Authorized entering into Purchase and Sale Agreements with the Esther R. Miller Trust and Sidney and Carrie King to acquire two parcels of property totaling 11.3 acres and all improvements located in Adams County necessary for the Miller Reservoir project, at a combined purchase price of \$827,000.

Mr. Walker and Mr. Bambei described the location of the properties and the improvements under consideration in order to increase the storage capacity of Miller Reservoir.

4. **ITEM V-D-3: AGREEMENT FOR LEGAL SERVICES WITH BROWNSTEIN HYATT AND FARBER**

Authorized execution of an Agreement for Legal Services with Brownstein Hyatt and Farber in the form of Exhibit "B," attached to and incorporated in these Minutes, providing for the ongoing engagement of James S. Lochhead to provide assistance and expertise regarding Colorado River issues to the Board through 2006 at an estimated cost of \$150,000 per year, all as more particularly described in the Agreement.

Mr. Barry reported the cost of the services provided by Mr. Lochhead will be shared with a coalition of Colorado River water users, including the Colorado River Water Conservation District, Northern Colorado Water Conservancy District, Southeastern Colorado Water Conservancy District, Southwestern Water Conservation District, and the Cities of Grand Junction, Pueblo,

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Colorado Springs and Aurora. Commissioner Gougeon suggested it would be helpful to the Board to have Mr. Lochhead discuss issues regarding the Colorado River with the Board and staff as the new IRP was developed.

5. **ITEM V-D-4: AWARD OF CONTRACT FOR ROBERTS TUNNEL WEST PORTAL ELEVATOR UPGRADES**

Authorized the award of a contract to upgrade the elevator at the West Portal of the Roberts Tunnel to Schindler Elevator Corporation at a cost to the Board not to exceed \$115,409.

Mr. Diebel explained the elevator was installed in 1962 and is in need of substantial retrofit to meet operation and safety requirements.

6. **ITEM V-D-5: AWARD OF CONTRACT TO FURNISH AND INSTALL CONDUIT NO. 153 FROM HAPPY CANYON ROAD TO HILLCREST PUMP STATION**

Authorized the award of a contract to T. Lowell Construction, Inc. to furnish and install Conduit No. 153 from Happy Canyon Road to Hillcrest Pump Station, which work includes furnishing and installing approximately 1810 linear feet of 42-inch pressure pipe, 220 linear feet of 36-inch pressure pipe and site drainage improvements, at a cost to the Board not to exceed \$950,000.

Mr. Bambei explained that installation of the pipeline will complete the replacement of former Conduit No. 55, a pre-stressed concrete pipe identified as having a high probability for catastrophic failure. Mr. Bambei provided pictures of the catastrophic failure of Conduit 55 which had occurred on Monaco Street in the late 1990s. After the failure, approximately 13,000 feet of Conduit No. 55 were replaced.

Ms. Wells reported regarding the actions taken over several years in the bankruptcy proceeding of the pipe manufacturer, to recover a portion of the costs of replacing Conduit No. 94, another pre-stressed concrete pipe constructed by Interpace Pipe. Mr. Bambei described the monitoring and testing process that is used to identify portions of Conduit No. 94 which need to be replaced. Approximately 7,000 feet of Conduit No. 94 have been replaced to date.

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7. **ITEM V-D-6: THIRD AMENDMENT FOR SERVICES DURING CONSTRUCTION FOR REUSE PROJECT, CONSTRUCTION PACKAGES 7, 9 AND 10 WITH BOYLE ENGINEERING CORPORATION**
Authorized entering into the Third Amendment to Agreement with Boyle Engineering Corporation to provide additional services for the Recycle Project, including electrical inspection, geotechnical construction testing, corrosion assistance, master plan and preliminary design services for storage, pumping and pipeline routing and services during construction for the sludge drying beds and facilities at an additional cost of \$209,643, resulting in a total amended contract of \$2,670,567, all as more particularly described in the Third Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."
8. **ITEM V-D-7: AWARD OF CONTRACT FOR FOOTHILLS TREATMENT PLANT HEADWORKS BUILDING ROOF REPLACEMENT AND STAIRCASE INSTALLATION**
Authorized the award of a contract to Donald E. Jagger Roofing Company for the Foothills Treatment Plant Roof Replacement and Staircase Installation, at a cost not to exceed \$110,288.
9. **ITEM V-D-8: LEASE AGREEMENT FOR THE RECREATIONAL MANAGEMENT OF THE HIGH LINE CANAL**
Approved a recreational lease agreement with the City of Cherry Hills Village for the maintenance and operation of a recreational use agreement for the High Line Canal for a ten-year period, all as more particularly described in the Lease Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."
10. **ITEM V-D-9: ACQUISITION OF PROPERTY ADJACENT TO MOFFAT TREATMENT PLANT**
Approved entering into a Purchase and Sale Agreement with the YMCA of Metro Denver for the acquisition of 8.7 acres of property located in the City of Lakewood, Jefferson County, at a cost to the Board not to exceed \$2.8 million plus closing costs, all as more particularly described in the Contract to Buy and Sell Real Estate (Commercial), a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

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Mr. Barry explained the property is adjacent to the Board's Moffat Water Treatment Plant property and could be used for the construction of treated water storage. Mr. Diebel and Mr. Pokorney both commented regarding the long-term need for treated water storage in conjunction with the Moffat Water Treatment Plant. The building will be leased back to the YMCA through June of 2008 for use as a health and wellness facility. During the lease-back period, the YMCA will be responsible for costs related to operation and maintenance of the building.

11. **ITEM V-D-10: RATIFICATION OF CONSTRUCTION CONTRACT
CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified construction contract change orders and amendments to agreements previously authorized by the Manager in May and June 2005 as follows: Change Order No. 3 to the Contract with Glacier Construction Company, Inc. for procurement and installation of a diesel fuel engine generator at the Green Mountain Pump Station; Change Order No. 1 to the contract with Glacier Construction Company, Inc. for the Eleven-Mile Dam Outlet Works renovation; Change Order No. 3 to the Contract with T. Lowell Construction, Inc. for vault modification on Conduit Nos. 28, 61, 116 and 27; Change Order No. 1 to the contract with Landtech Contractors, Inc. for Marston Treatment Plant landscape and irrigation renovations; Change Orders Numbered 1 and 2 to the contract with R&D Pipeline Construction, Inc. for installation of an 8-inch main and a PRV Vault Replacement from Dry Creek to Hinsdale Place; Amendment to the December 23, 2004 Agreement with Bates Engineering, Inc. for the Gross Dam Powerhouse Construction Design Review and Technical Advice; Amendment to the January 28, 2005 Contract with Kumar & Associates, Inc. for geotechnical engineering design and subgrade stabilization design for Siphon #1 at Winter Park; and Amendment to the April 18, 2005 Contract with Restruction Corporation for epoxy injection crack repair at the Hillcrest Basin No. 2, all as more particularly described in Agenda Item V-D-10 dated July 13, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

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12. **ITEM V-D-11: AWARD OF CONTRACT FOR CONDUIT NO. 29 EROSION CONTROL AT LITTLE DRY CREEK**
Authorized the award of a contract to furnish and install erosion control at Little Dry Creek for Conduit No. 29 to L&M Enterprises, Inc. in the amount of \$137,772.65.
13. **ITEM V-D-12: AUTHORIZATION OF ANNUAL CONTRACT FOR NON-DESTRUCTIVE EXCAVATING**
Authorized award of a contract for non-destructive excavating for the period July 1, 2005 through May 31, 2007 to Ace Pipe Cleaning, Inc. to provide non-destructive excavating, hydro-jetting and vacuuming services for valves, manholes, vaults and stop boxes and related structures at the unit prices described in the Tabulation of Bidders Proposal No. 08224A, dated June 6, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "G," for a total contract not to exceed \$160,000.
14. **ITEM V-D-13: PURCHASE OF BACKHOE LOADER AND COMPACTORS**
Authorized the award of a contract to Wagner Equipment to furnish one Caterpillar backhoe loader and two Caterpillar compactors, less trade-in of a 1996 Ford 655D backhoe loader in the amount of \$17,000, for a total net contract amount of \$179,022, such award being based upon acceptable price, delivery and compliance with specifications
15. **ITEM V-D-14: RATIFICATION OF PURCHASE OF STEEL PIPING AND ACCESSORIES (CONDUIT NO. 13)**
Ratified the purchase of steel piping and accessories necessary for replacement of Conduit No. 13 in University Blvd. at I-25 at the unit prices described in the Tabulation of Bidders' Proposal No. 08428A, dated June 29, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "H," for a total contract amount not to exceed \$201,445, such award being based upon best price, compliance with specifications and acceptable delivery.

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16. **ITEM V-D-15: AWARD OF CONTRACT FOR BUTTERFLY VALVES AND ACTUATORS**

Authorized the award of a contract to supply butterfly valves and actuators necessary for the recycled water system to Val-Matic Valve and Manufacturing Corporation at the unit prices set forth in the Tabulation of Bidders' Proposal No. 08225A, dated June 29, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "I," for a total contract amount not to exceed \$265,811.96, such award being based upon best price, compliance with specifications and acceptable delivery.

17. **ITEM V-D-16: AWARD OF CONTRACT FOR STEEL PIPE AND FITTINGS (CONDUIT NO. 27)**

Authorized the award of a contract to Hanson Pipe and Products, Inc. to provide steel pipe and fittings needed for the relocation of Conduit No. 27, under State Highway 85 near Titan Road, at the unit prices set forth in the Tabulation of Bidders' Proposal No. 08425A, dated June 30, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "J," for a total contract amount not to exceed \$102,942, such award being based upon best price, compliance with specifications and acceptable delivery.

18. **ITEM V-D-17: CHANGE ORDER NO. 6 MARSTON FINISHED WATER PIPE IMPROVEMENT PROJECT**

Approved Change Order No. 6 to the Contract with Lillard and Clark Construction Co., Inc. for the construction of Marston Treatment Plant finished water pipe improvements in the amount of \$49,508.91, all as more particularly described in the change order, a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

19. **ITEM V-D-18: DESIGN BUILD CONTRACT FOR THE CONSTRUCTION OF COMPACTED CLAY LINER FOR CAT RESERVOIR**

Authorized entering into a design-build contract with Cat Lake, Inc. for the construction of a compacted clay liner for Cat Reservoir, in accordance with the July 7, 2005 proposal, at a cost to the Board not to exceed \$1,194,000.

Mr. Bambei and Mr. Walker provided background for the project and the proposed contract. A compacted clay liner has been installed on a portion of the Cat Reservoir property which was acquired by condemnation. Completion of the liner of a below-ground reservoir, which meets the State

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Engineer's criteria for water storage will be designed by Deere and Ault Consulting Engineers, with construction services to be provided by Cat Construction.

20. **SPECIAL ITEM: EXTENSION OF CONTRACT FOR SODIUM HYDROXIDE (CAUSTIC SODA)**

Authorized extension of Contract No. 06117A with Industrial Chemicals Corporation to furnish the Board's requirements of sodium hydroxide (caustic soda) for the contract period January 1, 2006 through December 31, 2007, at an additional cost of \$3 million and a total amended contract amount not to exceed \$7.668 million.

Mr. LaFrance explained that implementing the proposed pricing methodology would result in an estimated cost savings through December 31, 2005 of \$380,000.

21. **ITEM V-E-1: HUMAN RESOURCE CHANGES**

Approved the human resource changes set forth in Agenda Item V-E-1 dated July 13, 2005, a copy of which is attached to and incorporated in these minutes as Exhibit "L," effective the pay period ending **July 1, 2005** unless otherwise noted.

22. **ITEM V-E-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective **August 1, 2005**, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date Unless otherwise noted^	Division/Section
Douglas Root	01/31/2005	01/31/2005	Programs and Projects #210
Cathleen Hassman	01/18/2005	01/18/2005	Distribution #250
Andy Mora	01/11/2005	01/11/2005	T&D Construction & Maintenance #710
Michael Scadden	01/31/2005	01/31/2005	Machine Shop #910

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23. ITEM V–F–3: RENEWAL OF PROJECT EMPLOYEE CONTRACT

Renewal of the following Project Employee Contract was approved:

Employee Name, ID# Title, Salary, Std Hrs.	Estimated Completion Date	Estimated Salary Cost	Division/Section, Project
Ricardo J. Maestas, IT Sr. Database Administrator \$8,845/Mo. – IT-09, step 8	June 24, 2007	\$212,280 (2 years)	Info. Technology #160

24. ITEM VI–C–1: DISCUSSION AND INFORMATION: RESERVOIR LEVELS AND CONSUMPTION

Mr. Pokorney reported that with the exception of Antero and Wolford Mountain Reservoirs, all of Denver Water's reservoirs filled by June 24, 2005, resulting in storage contents at 97% of full on that date. Antero is approximately 15,000 acre-feet below full and Wolford is 5,000 acre-feet below full. Because of the continued good runoff conditions, the reservoirs have stayed at 97% of full. The last time that Denver Water experienced similar reservoir levels was July 2001. Mr. Pokorney also reported that Green Mountain Reservoir had filled and spilled. Water consumption for the year is still 24% below predicted amounts, although demand has increased in the month of July.

25. ITEM VI–F–1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO

The Commissioners received the report, "Denver Water Investment Portfolio as of June 30, 2005" as set forth in Agenda Item VI-F-1 dated July 13, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "M."

26. ITEM VI-F-2: DISCUSSION AND INFORMATION: MANAGER'S OPERATION REPORT

The Board was furnished with the Manager's Operation Report dated July 13, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "N," which consists of the following individual items:

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1. Water Use and Supply Reports
2. Status of Contract Work
3. Status of Consultant Services

27. **ITEM VI-F-3: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the 2005 Budget Status Summary for the period ending **June 30, 2005**, a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

28. **ITEM VI-F-4: NEW CONTRACT SUMMARY**

The Board received the Summary of New Contracts Between \$10,000 and \$100,000 for the Second Quarter of 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "P."

29. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed that the regular meeting would take place on **Wednesday, July 27, 2005, at 9:15 a.m.**, in the Three Stone Buildings, 1600 W. 12th Avenue, Denver, Colorado. The meeting will be a study session which will include a continuation of the discussion regarding water conservation issues and will focus on Safe Drinking Water Act issues.

On Wednesday, August 17, the Board will participate in activities celebrating the 100th anniversary of completion of Cheesman Reservoir at the Reservoir.

The first Regular Meeting in August is scheduled for **August 10, 2005 at 9:15 a.m.**

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:55 a.m.

EXECUTIVE SESSION

On Wednesday, July 13, 2005, commencing approximately at 11:00 a.m. in the Mountain House at the base of the Keystone Ski Resort, Keystone, Colorado, the Board of Water Commissioners met in Executive Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

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1. Possible Building Purchase §24-6-402(4)(a)
2. Potential Litigation §24-6-402(4)(b)
3. Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:20 a.m.

President

Secretary